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Date: April 22, 2003

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Washington's Unemployment Rises Again in March

OLYMPIA – Washington's seasonally adjusted unemployment rate rose one-tenth of a percentage point to 7.0 percent in March, Employment Security Commissioner Sylvia P. Mundy announced today. The nation's seasonally adjusted unemployment rate remained constant at 5.8 percent. Washington's non-adjusted unemployment rate declined by two-tenths of a percentage point to 7.4 percent.

"The increase in the unemployment rate highlights the slack labor market Washington has experienced over the first quarter of 2003," said Mundy. "There is no way to know how much of this weakness is due to uncertainty around the war with Iraq and how much to fundamental economic problems. The quick resolution to the Iraqi conflict, however, does create a more stable environment which may lead businesses to hire in the second half of 2003."

Washington's non-adjusted, nonagricultural wage and salary employment increased by 8,700 in March, amounting to an increase of 0.4 percent. Over-the-month growth occurred in most sectors. The largest gainers were construction (+1,700), professional and business services (+3,000), education and health services (+1,200), and government (+1,500). Most of these increases were due to normal seasonal hiring in early spring. Particular areas of strength were in heavy construction, water and truck transportation, employment services, education services, accommodations, and state government educational services.

Small over-the-month declines occurred in logging (-500), manufacturing (-800), and information (-100). The weakness in manufacturing was centered in the durable goods sector. Aerospace product and parts manufacturing lost the most, down by 700 jobs for a one percent drop. In the information sector, losses in telecommunications, (-200) were not made up in software publishing, which was flat over the month. Local government also declined over the month by 200 jobs despite an increase of 1,200 in local government education.

Washington's year-over-year change in nonagricultural employment was up 10,100 from March 2002. The sectors that are down significantly are manufacturing (-19,600) and retail trade (-1,900). The sectors that have gained the most jobs are construction (+3,100), wholesale trade (+1,000), financial activities (+3,300), professional and business services (+4,500), education and health services (+7,600), and government (+11,000). Financial services reveal continued strength, particularly in real estate and rental leasing, both of which have been helped by low mortgage rates. Within professional and business services, it is the volatile temporary help firms that have seen the most employment growth. Some other sectors within this industry have been quite weak, such as travel agencies, hurt recently by curtailed travel plans and fears of the spread of severe acute respiratory syndrome.